United Nations A/57/478

General Assembly

Distr.: General
15 October 2002

Original: English

Fifty-seventh session
Agenda item 112
Programme budget for the biennium 2002-2003

Interim report on results-based budgeting for the biennium 2002-2003

Report of the Secretary-General*

Summary

This report has been prepared in response to General Assembly resolution 56/253 of 24 December 2001.

The programme budget for the biennium 2002-2003 is the first programme budget formulated fully in accordance with the results-based budgeting concepts, namely: (a) the articulation, prior to implementation of the programme, of objectives, expected accomplishments, indicators of achievement and external factors, in addition to the listing of outputs and resource requirements; and (b) the requirement to measure results arising as a consequence of the outputs delivered.

The lessons learned and experience gained in devising and applying data-collection methods for measuring results point to a need for (a) fuller application of the logical framework for designing and implementing programmes; (b) continuous support and guidance to departments in their management for results; and (c) utilization of findings for decision-making with respect to policies, procedures, programme design, implementation, monitoring and evaluation.

Learning by doing has been a key factor in moving forward the implementation of results-based budgeting. Much progress has been made during the first year of the programme budget for the biennium 2002-2003 in terms of increased understanding of what needs to be done for the Organization to become fully results-oriented.

* Submission of this document was delayed, owing to the need for extensive internal consultations.

02-64334 (E) 011102

I. Introduction

1. In its resolution 55/231 of 23 December 2000 on results-based budgeting, the General Assembly endorsed the recommendations of the Advisory Committee on Administrative and Budgetary Questions (see A/55/543) regarding the report of the Secretary-General on results-based budgeting (A/54/456 and Add.1-5), including the recommendation that the Assembly approve the proposal of the Secretary-General to proceed with the use of indicators of achievement in the programme budget. The programme budget for the biennium 2002-2003 was prepared accordingly.

2. In that resolution, the General Assembly also requested the Secretary-General to undertake a detailed analysis of the information, management control and evaluation systems required to implement the proposals contained in his above-mentioned report and of the capacity and limitations of existing systems. The detailed analysis appeared in the annex to the introduction of the Secretary-General's proposed programme budget for the biennium 2002-2003 (A/56/6 (Introduction)). In the analysis, the Secretary-General indicated that he intended to submit an interim report towards the middle of the biennium on progress made regarding the collection of performance data for the indicators of achievement. The purpose of the report is to keep Member States informed of experience to date in devising and applying data-collection methods. It was pointed out that, in some cases, the indicators of achievement proposed in the programme budget for the biennium 2002-2003 might require further refinement in the light of that learning experience.

3. The General Assembly, in its resolution 56/253 of 24 December 2001, endorsed the recommendations of the Advisory Committee, including its comments regarding the need for such an interim report, which, in its view, should also review the issue of linking information and financial systems and include an indication of how the performance of any given programme will be evaluated.

4. The present interim report has been prepared in response to that resolution. Attention is also drawn to the Regulations and Rules Governing Programme Planning, the Programme Aspects of the Budget, the Monitoring of Implementation and the Methods of Evaluation (ST/SGB/2000/8), the reports of the Secretary-General on results-based budgeting (A/53/500 and Add.1 and A/54/456 and Add.1-5) and the reports of the Advisory Committee[1] and of the Committee for Programme and Coordination thereon[2]. Reference is also made to the forthcoming transmittal by the Secretary-General of the report prepared by the Office of Internal Oversight Services on implementation of all provisions of General Assembly resolution 55/231 on results-based budgeting and the report of the Joint Inspection Unit on results-based budgeting and the comments of the Secretary-General thereon (A/57/372).

II. Background

5. The budget document at the United Nations is a commitment by Member States to financing programmes, and by the Secretariat to implementing them, in accordance with legislative mandates. Results-based budgeting requires the use of the budget document as an instrument for determining the expected accomplishments/results (this term will be used throughout the report

interchangeably with "expected results" or "results") prior to implementation of the work that is to be carried out within the approved budget level. Much the same as at the national level, where the budget document is being used to determine whether or not government programmes will be making a difference in the lives of their citizens, at the United Nations, results-based budgeting is also being used to determine whether or not United Nations programmes are making a difference to Member States, regions, populations, communities, organizations and individuals.

6. Following the approval of the programme budget for the biennium 2002-2003, which was the first programme budget that reflected fully the results-based budgeting concepts, the Secretary-General was of the view that the implementation of results-based budgeting would require concerted efforts to facilitate programme managers and staff in measuring the results of their work. Programme managers were expected to implement results-based budgeting not as an exercise separate from the implementation of their programme of work, but rather as an exercise to be conducted simultaneously with it. It was also recognized that the establishment of a new system would require additional resources for the start-up costs related to the conduct of training, preparation of manuals and guidelines and subsequent support and guidance to be provided to departments.

7. To this end, a project was developed for work related to the implementation of results-based budgeting. The funding for the preparation of a training manual with the assistance of consultants, the organization and conduct of workshops, the travel costs related to workshops at offices away from Headquarters during 2002, and related work to be carried out in 2003 with respect to data analysis, interpretation of findings and recommendations for future action, was made possible by the United Nations Fund for International Partnerships. The goal was to train and support staff at all duty stations.

8. Following the preparatory work and consultations, including with the Office of Internal Oversight Services, in connection with issues to be addressed and the issuance of a training manual, the conduct of workshops began at the end of May 2002 and continued until the second week of August 2002, with the focus on steps required for the measurement of results. The workshops were conducted by a group of programme budget officers from the Programme Planning and Budget Division, with the assistance of a number of staff from the Office of Internal Oversight Services and four consultants. The workshops were organized for individual departments at all duty stations, with the focus on reviewing the indicators of achievement related to their subprogrammes. There are approximately 140 subprogrammes, 525 expected accomplishments and 864 indicators of achievement in the programme budget for the biennium 2002-2003. A total of 65 workshops, including a number of short briefings, have been held in 2002 with approximately 1,230 participants. Virtually all subprogrammes were represented by participants in the workshops.

9. Following the workshops, a questionnaire was sent to all departments and offices requesting their input into the present report. The departments and offices were asked a number of questions on the measurement of their expected accomplishments, with respect to decisions taken on the establishment of baseline data and targets, data collection and methods for the collection of data. They were also requested to provide information on problems encountered or anticipated, as well as information on issues that need to be addressed. Responses were received

from all except one department. An analysis of the outcome of the workshops and responses to the questionnaire is reflected in the section below.

III. Experience gained and lessons learned

A. General

10. During the course of the one-day workshops, the participants were briefed on the legislative mandates for the implementation of results-based budgeting and the fact that it was part of the Secretary-General's programme of reform aimed at a fully results-oriented Organization. It was pointed out that results-based budgeting was currently being practised by many countries and organizations and that it took up to eight or ten years for it to provide meaningful information for performance measurement and decision-making. The United Nations was therefore participating in an exercise that reflected the approach taken, or on the way to be taken, by many Member States at the national level, namely Australia, Austria, Brazil, Canada, Chile, Denmark, Finland, France, Germany, Greece, Hungary, Iceland, Italy, Japan, Luxembourg, the Netherlands, New Zealand, Norway, Portugal, Republic of Korea, Singapore, Spain, Sweden, Switzerland, Turkey, the United Kingdom of Great Britain and Northern Ireland and the United States of America. Results-based budgeting, or elements thereof, are also being implemented by a number of organizations of the United Nations system, namely the United Nations Development Programme, the United Nations Population Fund, the United Nations Children's Fund, the International Labour Organization, the Food and Agriculture Organization of the United Nations, the United Nations Educational, Scientific and Cultural Organization, the World Health Organization, the International Civil Aviation Organization, the International Maritime Organization, the International Telecommunication Union, the Universal Postal Union, the World Meteorological Organization, the World Intellectual Property Organization, the United Nations Industrial Development Organization and the International Atomic Energy Agency.

11. The workshops reviewed the logical framework for planning and implementing work programmes of the United Nations, bearing in mind the definitions that have been approved by the General Assembly. It is noted that at the national level and at the organizations of the United Nations system, there are slight differences with terminology but the primary goal is for implementers of the work programme to look beyond the delivery of outputs by focusing on expected accomplishments/results of those outputs.

B. Logical framework

12. The use of the logical framework for programme design and of indicators for measurement of performance is not a recent innovation, but it has been given a new impetus as a result of public sector reforms. It is noted that many projects funded from extrabudgetary resources have been applying the logical framework on a consistent basis, since most donors require reports on results that have been achieved as a consequence of their funding and to be used as a basis for future funding.

13. At the United Nations, each subprogramme contains objectives, expected accomplishments, indicators of achievement, external factors and outputs, with all these elements constituting an interrelated whole within a logical framework. Objectives express the overall desired outcome of a subprogramme and form the foundation for programme design. Expected accomplishments/results are more specific and reflect benefits or changes that result from the outputs delivered. The outputs are concrete products or services delivered by the Secretariat. Indicators of achievement measure the extent to which the expected accomplishments have been achieved and external factors reflect conditions or events that are beyond the control of the programme for successful implementation. Clear linkages of each of those elements are essential for the implementation of results-based budgeting.

14. The measurement of results provides Member States and senior managers with information for decision-making on future direction of the programmes and subprogrammes or on modifications that might be necessary, in terms of the type of activities to be undertaken, outputs that should be delivered or adjustments that might be necessary in the mix of resources for ensuring that the expected results occur.

15. The objectives expressed in the medium-term plan for the period 2002-2005 and in the programme budget for the biennium 2002-2003 have been approved by the General Assembly and form the basis for the design and implementation of programmes and subprogrammes. In both documents, the Secretary-General pointed out that implementation of United Nations programmes was a collective responsibility and the objectives would only be achieved if Member States and the Secretariat worked in harmony. The recognition of collective responsibility is crucial, otherwise the raison d'être of the programmes might need to be examined further.

16. Most objectives articulated in the medium-term plan and in the programme budget are not time-bound and are of an ongoing nature (such as conflict prevention, increase in awareness and understanding of issues, strengthened international cooperation, improved capacity), unlike expected accomplishments, which are to be achieved generally within a limited time frame as a consequence of the outputs delivered for each biennium.

17. An important outcome of the workshops was the realization by participants, through use of the logical framework, that some of the expected accomplishments were not as clear as they could be and would need further refinement in order to reflect more accurately the direct consequence of the subprogramme's outputs and services. It was recognized that expected accomplishments need to be carefully formulated, particularly since there are different stages from output to result, with the subprogramme having less control the further up the hierarchy one goes. Clearly managers are responsible for more than just delivery of an output, but to be held accountable, for example, for improved trade practices, respect for human rights, compliance with conventions and treaties, would be unreasonable. The challenge is to find an optimal level of accountability for the results, bearing in mind that it is not a question of results being attributable to the United Nations, but rather a question of the contribution that the outputs are expected to make towards those expected results.

18. Indicators of achievement can be established at different levels — at the level of objectives, at the level of expected accomplishments or at the level of outputs. At

the United Nations, indicators of achievement are aimed at measuring the expected accomplishments of each subprogramme and are intended to provide a guide for managers and implementers of the subprogramme to ensure that those expected accomplishments occur as a consequence to their outputs.

19. The selection of indicators has proven to be a difficult exercise. Among the difficulties listed by departments was the quantification of, for instance, policy advice, good offices or consensus-building. For those indicators and others that expressed "contribution", "increased cooperation", "systematic improvement", "progress made", "timeliness", "transparency", a strategy to add the phrase "as evidenced by" was recommended to make them more measurable. For instance, an indicator that was worded "contribution of advisory services to strengthening local and national capacity to formulate and implement effective policies and programmes" would be made measurable by adding the phrase "as evidenced by the number of policies and programmes formulated in the area of...". Many participants welcomed this solution as a way to change abstractions into something more measurable. Furthermore, they recognized that more explicit and measurable indicators were also necessary for clarifying not only the nature and scope of outputs that should be delivered, but also the different categories of end-users or beneficiaries of those outputs.

20. Another difficulty was the paring down of large numbers of indicators to a few key or strategic ones that would be meaningful for decision-making. According to practitioners of results-based budgeting and performance measurement, it is not unusual for programme managers initially to establish large numbers of indicators that are believed to be necessary for determining whether a programme is working well or not and whether it is on target. However, with further training and greater experience, it is expected that programme managers will be able to develop a few strategic indicators to measure their accomplishments.

21. Departments have also pointed out that, in many instances, the results of some of the work carried out by the Secretariat may not be seen for several bienniums, particularly with respect to changes in attitudes, behaviour or conditions, in terms of, for instance, respect for human rights, adoption of policies and legislation, or eradication of poverty, and therefore are difficult to measure. While this is a real concern, ways need to be found through, for instance, more realistic and attainable results within the time frame of the budget period. The practice of ongoing performance measurement and performance management is necessary because the United Nations should be able to demonstrate the value of programmes and how they generate benefits, not ten years hence, but now.

22. With respect to the question of outputs, there are not many changes that can be made to the type of products or services that departments deliver, but results-based budgeting requires a critical review of those outputs and their associated resources to ensure that they contribute to the expected accomplishments. For the preparation of the proposed programme budget for the biennium 2004-2005, an item-by-item examination of outputs is expected to be made, not only for the purpose of selecting those that contribute to achieving results, but also for determining, in compliance with the Regulations and Rules Governing Programme Planning, activities that might have become obsolete, of marginal usefulness or ineffective.

23. While the workshops focused on data collection for measuring results, the need to pay greater attention at the outset to application of the logical framework became

more evident as participants began reviewing their indicators of achievement. They recognized that clearly stated objectives at the beginning of the planning process would facilitate the determination of expected accomplishments, selection of the most appropriate outputs for achieving them and establishment of indicators for measuring those accomplishments.

C. Data collection

24. For the measurement of results, it is necessary to determine how often (frequency) and when (schedule) data should be collected. It is first necessary to establish a baseline period from which to compare the progress of work. Baseline data are required on the situation prior to implementation of the subprogramme's activities and delivery of outputs. Targets also need to be established in order to demonstrate the change that is expected to occur as a consequence of the outputs delivered within a certain time frame. In this connection, baseline data to be used do not necessarily have to reflect the situation as at the beginning of the current biennium. Data reflecting the situation in previous bienniums could be used as a baseline in order to show the progression or trend towards achieving results expected within a given biennium.

25. Departments drew attention to some of the difficulties encountered with establishing baseline data and targets for the biennium 2002-2003 as follows: time and resources needed for the systematic conversion of raw data into usable baseline data for measurement (Department of Political Affairs, Department of Peacekeeping Operations, Office for Outer Space Affairs); dependency on accurate data from Governments, civil society and the public (Department of Economic and Social Affairs, United Nations Environment Programme, United Nations Development Programme, United Nations Relief and Works Agency for Palestine Refugees in the Near East); incompleteness of certain records (Office of Legal Affairs); quantification of policy advice, advocacy, awareness and of facilitation of consensus-building and its use as a baseline (United Nations Conference on Trade and Development, UN-Habitat, Office for Drug Control and Crime Prevention, United Nations International Drug Control Programme); inadequate feedback from end-users (all departments); external dependency is high (Economic Commission for Africa, Economic Commission for Europe); lack of clarity in some indicators (Economic and Social Commission for Asia and the Pacific, Office of the United Nations High Commissioner for Human Rights, Office for the Coordination of Humanitarian Affairs, Office of the United Nations High Commissioner for Refugees); time-consuming (almost all programmes); variance in the number of requests received from Governments from year to year, making it difficult to measure change (Economic Commission for Latin America and the Caribbean, Department for Disarmament Affairs); different baseline data standards for member countries (Economic and Social Commission for Western Asia); data not systematically collected in the past and need to be collected for the first time (Department of Public Information, Office of Human Resources Management, United Nations Office at Nairobi); databases need updating (Office of Internal Oversight Services). At the same time, some departments were able to offer solutions to address the difficulties encountered by them.

26. In some cases, specific data are readily available for establishing baselines, since the selection and delivery of outputs to effect change have been based on

information and data gathered about the particular situation which needed attention by the subprogramme. In the economic and social areas, for example, the current situation with regard to many economic and social concerns in developing countries is known and in many cases the Secretariat clearly understands what needs to be done in order to comply with legislative mandates for addressing those problems. Those programmes would now be expected not only to deliver their outputs, but would also be required to establish targets for measuring the change effected.

27. In other cases, however, while problems in the various sectors are known to the Secretariat, there is no systematic collection of data related thereto. Outputs and services have been delivered, in compliance with legislative mandates, but there had been no evidence collected on a systematic basis to demonstrate that any change had taken place as a consequence of those outputs and services.

28. There are 864 indicators of achievement in the programme budget for the biennium 2002-2003, including subsets of indicators where those indicators require collection of more than one set of data. Of the total number of indicators for which data are currently available (605), departments have taken decisions (a) on baselines for 75 per cent of them, and on (b) targets for 50 per cent of them. Of the 259 indicators for which data are currently not available, decisions have been taken on data to be collected for 40 per cent of them. At the same time, it should be understood that the reliability, validity and usefulness of some of the data to be collected for the current biennium would need improvement, following further training and experience. The table below provides more detailed information as regards data, frequency and sources.

Results of survey of programme managers' progress in developing data for indicators of achievement

Indicators with available data (605)	*Percentage*	*Indicators without available data (259)*	*Percentage*
Baseline data decided	75	Data to collect decided	40
Target data decided	50	Data collection frequency decided	41
Frequency of data collection decided	71	Data collection timeline decided	37
Data through official records	46	Data through official records	14
Data through internal records	51	Data through internal records	22
Data through other documents	34	Data through other documents	12
Data through interviews	13	Data through interviews	5
Data through survey	20	Data through survey	25

29. Departments have been encouraged to use as much pre-existing data as possible before seeking new data for measuring results, bearing in mind the time and resources that might be needed for collecting new data. Existing data available for carrying out the activities of a subprogramme can be realigned or reorganized for measuring results so as to facilitate management and policy decisions. It was stressed that the data must be useful not only to programme managers, but also to the staff implementing the work. In other words, the data should tell the story about the results of each subprogramme: not what the staff did, or what is interesting to

know, or what is needed for reporting requirements, but rather, what benefits were received by the end-users and whether expectations were met.

30. The burden of collecting data to measure results, in addition to their ongoing work, was repeatedly raised by participants at the workshops. However, if programme managers are to be accountable for implementing legislative mandates, the availability of performance data would not only provide evidence for determining whether or not the expectations of the programme were met but would also, in any event, be necessary for implementing their work programmes. Programmes that are managed well are also programmes that have good data and information on what has been, and is to be, achieved. Performance measurement is the basis of performance management, which requires the focus to be on meeting certain targets, reflecting the Secretary-General's goal that the Organization be fully results-oriented. The Office of Internal Oversight Services has been promoting, and will continue to promote, self-monitoring for the sake of good management and not just for oversight purposes.

31. The need to gather data for implementation of results-based budgeting is expected to prompt a more concerted effort to ensure that the work goes beyond just the delivery of outputs. The collection of performance data has also prompted a closer review of the indicators and has, in many cases, given rise to a deeper understanding of what exactly should or could be measured. It is anticipated that, with further experience, the development of indicators will improve and in turn the collection of data will be facilitated.

D. Data-collection methods

32. The workshops included discussions on typical data-collection methods for measurement of results, such as the review of official records, internal records and other types of information, including the media, and the conduct of surveys and interviews. It was pointed out that there were advantages and disadvantages in selecting which method to use, but that the main considerations for identifying the method included availability, validity and reliability of data. The question of sampling was also addressed, in the event that the target population was too large for the collection of data.

33. For the formulation of questionnaires when conducting surveys or interviews, departments have been encouraged to seek assistance from the Evaluation Section of the Office of Internal Oversight Services or from departments that have had good experience in the area of formulating questions and soliciting feedback (e.g. the Department of Public Information). The use of content analysis and the need for coding procedures were also discussed.

E. Information systems

34. Many offices have introduced monitoring tools to improve management of resources. The common aim of these systems is to provide senior managers with an overview of the status of activities and expenditures, so as to track and take action on key management issues. These systems use web based technology and provide real-time information to support the identification of emerging problems that may need attention and/or corrective action. They include: Key Items Management

Reporting System (Department of Management), the programme monitoring system (United Nations Conference on Trade and Development); work plans and implementation tracking system (Office of Internal Oversight Services); electronic correspondence management systems (Department of Political Affairs, Office of the United Nations High Commissioner for Human Rights); diagnostic accounting system (United Nations Office at Geneva); interpreter assignment programme (Department for General Assembly and Conference Management); Corporate Memorandum of Understanding Database system, which maintains records of agreements with other organizations and monitors the status of their implementation (United Nations Environment Programme).

35. The Integrated Monitoring and Documentation Information System (IMDIS) in the Department of Economic and Social Affairs is used by the entire Secretariat for (a) the citing of objectives, expected accomplishments, indicators of achievement, external factors and outputs in the programme budget for the biennium 2002-2003; and (b) for monitoring output delivery for consolidation by the Office of Internal Oversight Services in its preparation of the biennial programme performance report for the past two bienniums. IMDIS has been expanded in 2002 by the Office of Internal Oversight Services to facilitate the recording of plans and tools for data collection for the measurement of results.

36. The use of IMDIS does not, however, obviate the need for the development of appropriate data-collection methods and systems by individual departments for the collection and analysis of data for analysis in order to report on results achieved. Additional enhancements to capture data for the measurement of results and to link IMDIS to other budgetary and financial systems are under discussion between the Office of Internal Oversight Services and the Programme Planning and Budget Division.

37. Collecting data and keeping good records for measuring results are challenges facing the Secretariat. It is expected that concerted efforts will need to be made to find useful ways, including the use of the above-mentioned capabilities, for keeping track of progress made towards the expected results and providing evidence at the end of each biennium for analysis, reporting and decision-making.

38. In an effort to provide ongoing assistance and guidance, the Programme Planning and Budget Division has updated its web site, which now includes information on results-based budgeting. This will be updated on a regular basis and will also provide information on best practices and lessons learned.

F. Analysis and reporting procedures

39. It is anticipated that further workshops will also be conducted in 2003 to facilitate data collection and analysis to measure results and reporting thereon. Data need to be analysed and presented in a way that would help senior managers determine the extent to which expected results were achieved within the level of approved resources. The findings would be used for self-evaluation by programme managers in accordance with the regulation 7.2 of the Regulations and Rules Governing Programme Planning and for decision-making with respect to policies, procedures, programme design and implementation. The findings will also be reported to the Office of Internal Oversight Services for consolidation into the

biennial programme performance report, as modified, to be submitted to the Committee for Programme and Coordination and the General Assembly in 2004.

G. Other issues

40. During the course of the workshops, and in response to the questionnaire for the preparation of the present report, a number of other issues were raised with respect to the programme planning cycle, particularly the exercises related to evaluation (self and in-depth) and monitoring (biennial programme performance). Departments were concerned that measurement of results would mean an additional burden.

41. While in-depth evaluations at the programme level are conducted by th Office of Internal Oversight Services, according to a schedule approved by the Committee for Programme and Coordination, self-evaluations are required to be carried out, at the subprogramme level, by programme managers to determine the relevance, usefulness and effectiveness of their subprogrammes within a medium-term plan period. Self-evaluation may also be conducted on a thematic basis, covering such topics as training seminars, dissemination strategies, publications and technical reports, advocacy campaigns, database and information systems (see transmittal by the Secretary-General of the report of the Office of Internal Oversight Services on strengthening the role of evaluation findings in programme design, delivery and policy directions (A/57/68).

42. Both implementation of results-based budgeting and evaluation facilitate decision-making in terms of what has worked and what has not. While evaluation is aimed at explaining why and how results occurred and to determine successes, failures and what modifications are needed, results-based budgeting focuses on what needs to be implemented in order to achieve expected results. Evaluations may look beyond effectiveness (whether intended results were achieved) to issues of cost-effectiveness, relevance and sustainability. Evaluation is carried out periodically and provides an opportunity to look back and take stock of what has occurred in the past. The measurement of results is an ongoing management responsibility and requires a more forward-looking approach, in terms of using baseline data and moving towards established targets to ensure that the intended results occur.

43. It is recalled that the Committee for Programme and Coordination, at its forty-second session in June 2002, when considering the report on strengthening the role of evaluation findings in programme design, delivery and policy directives, expressed concern about the fact that currently only about half of the programmes of the medium-term plans were self-evaluated, and requested the Office of Internal Oversight Services to strengthen its support to self-evaluation (see A/57/16). To this end, the Office of Internal Oversight Services organized a workshop in September 2002 , with the participation of staff from different departments, to clarify the role of self-evaluation in relation to the implementation of results-based budgeting. The workshop concluded that evaluation carried out by programme managers and their staff — namely self-evaluation as envisaged in the Regulations and Rules Governing Programme Planning — is primarily a management and assessment tool. Self-evaluation is a vital component of the results-based approach, as it can be a major source of information used by programme managers when reporting on results,

justifying changes in direction, identifying lessons learned and preparing programme budget and medium-term plan proposals.

44. The biennial monitoring on programme performance exercise undertaken by each Department has primarily focused on tracking the status of delivery of outputs and monitoring changes made to the programme of work, as presented in the programme budgets. The biennial report, prepared by the Office of Internal Oversight Services on the basis of departmental submissions, is considered by the Committee for Programme and Coordination and provides information on: outputs planned, as programmed or carried over from the previous biennium; additions by legislation and by the Secretariat; total outputs implemented or reformulated; departures from programmed commitments; and implementation rates.

45. In response to the request of the Committee for Programme and Coordination that the biennial programme performance report contain more analysis, an analytical portion has been included in recent years to provide an explanation of the status of implementation. The report of the Secretary-General on the programme performance for the biennium 2000-2001 (A/57/62) attempted to describe the accomplishments realized, even in the absence of indicators of achievement in the programme budget. The biennial programme performance report will require further modification, so as to take into account the measurement of accomplishments during the biennium 2002-2003, on the basis of the indicators of achievement established therein. The Office of Internal Oversight Services has undertaken to examine the current programme performance report and to determine how it can be enhanced to reflect the requirements of results-based budgeting. The Office of Programme Planning, Budget and Accounts and stakeholders will be consulted during this process.

46. The question of benchmarking was not addressed at this time, given the novelty of the results-based budgeting exercise, but it will need to be addressed when the time arrives for comparing the results of similar activities of one department against those of other departments, or against those of other organizations in an attempt to apply best practices and lessons learned.

47. It should be acknowledged that performance measurement does not happen without costs. Costs are more easily identifiable for start-up activities (consultancies, manuals and handbooks, design and conduct of training) but it is more difficult to isolate resources allocated specifically for measurement of results. However, if programmes are well managed, the measurement of results is less costly in terms of time and resources, since systems and procedures are more likely to be in place, or require few adjustments, and staff are routinely determining the effectiveness of their work. If programmes are less well managed, or are new, costs might be higher, since systems need to be established or be substantially improved and staff need more training for the implementation of results-based budgeting. For the majority of programmes, there are no resources specifically allocated for activities related to the measurement of results, or for monitoring and evaluation. The activities involved are expected to be carried out as part of each department's programme of work, as normal management practice.

48. At the central level, however, it is important to have a capacity to promote the implementation of results-based budgeting and performance management on a continuing basis, to provide overall guidance, to share best practices and lessons learned from within the Organization and from outside, and to make available a help-desk function, an Intranet web site and ongoing training and coaching.

Currently, these functions are shared between the Programme Planning and Budget Division and the Office of Internal Oversight Services.

IV. Conclusions

49. At the national level, it takes anywhere between eight to ten years to implement fully results-based budgeting before a stage is reached for effective use of performance data generated by manager and implementers of the programmes for policy and decision-making. At the United Nations, results-based budgeting was applied for the first time in connection with the programme budget for the biennium 2002-2003. There was initially a feeling among some that this was yet another bureaucratic requirement, but there has been a gradual acceptance of the importance of performance measurement and performance management.

50. During the first year of the biennium, much progress has been made in terms of furthering the understanding of the concepts, particularly in connection with the shift in focus from delivery of output to a results-oriented approach. Following the workshops and briefings conducted during the year, there has also been an increased understanding of the logical framework to be used for the design and implementation of the programme of work in accordance with legislative mandates. Learning by doing has been an important factor in moving forward the implementation of results-based budgeting.

51. A major concern expressed during the workshops was the difficulty with attributing results or change solely to the work of the United Nations, since in many cases other actors are involved, whether they be Governments or intergovernmental organizations, organizations within the United Nations system, non-governmental organizations or the private sector. It was stressed, however, that it was not a question of attribution but rather, it was necessary to know whether or not the work of the United Nations contributed to the expected results. If there is no evidence of that contribution, then there is no justification for delivering those outputs and services provided within the programme. A closer scrutiny of the outputs would be necessary.

52. There is increased recognition of the need to make the Organization more effective, and it is expected that the preparation of the proposed programme budget for the biennium 2004-2005 will include continued reinforcement of programmes to enhance their capacity for meeting the United Nations Millennium Declaration goals, in accordance with the strategies outlined in the "road map" (A/56/326). In line with the application of results-based budgeting, programme managers will be critically scrutinizing their activities and associated resources to focus on expected accomplishments. Programme outputs will be subjected to an item-by-item examination to ensure their contribution to the achievement of expected accomplishments.

53. At the same time, there are concerns about the inherent difficulties associated with the measurement of results of some "less quantifiable" aspects of the work carried out by the United Nations. Ways will have to be found also for increasing the response rate from end-users on the quality of outputs. In this connection, the participation of Member States is essential for the measurement of results, since they are the primary end-users of the outputs and services delivered by the Secretariat.

54. The implementation of results-based budgeting in the United Nations is an evolutionary process and there is much to learn and adapt from the experience of national Governments and other entities. The lessons learned in this first year of the current biennium have pointed to a need for improvements in the following areas:

(a) Formulation of objectives at the right level to reflect more accurately the raison d'être of the programmes and subprogrammes;

(b) Expected accomplishments that can be achieved as a consequence of the contribution of the outputs and services delivered;

(c) Establishment of key or strategic indicators for measurement of the expected accomplishments;

(d) Clear linkage between outputs and expected accomplishments;

(e) Systematic collection of data for the purpose of establishing baselines and targets, to measure expected accomplishments;

(f) Link between the results to be achieved and the approved level of resources;

(g) Link between results-based budgeting and implementation of the ongoing work;

(h) Involvement of all levels of staff responsible for implementing subprogrammes in the preparation of the medium-term plan and the programme budgets, particularly with the formulation of objectives, expected accomplishments and indicators of achievement;

(i) Development of skills and capacity to collect and analyse data.

55. It is clear that the implementation of results-based budgeting has prompted managers to take a closer look at the raison d'être of their programmes, particularly in terms of the problems to be addressed, and to systematically track information on the progress made towards solving those problems. All departments have acknowledged and welcomed the need for a change in the management culture by looking beyond the delivery of outputs and services, and focusing more on the results of their work.

56. In order to determine the continuing effectiveness of the Organization, it is important that evidence, in the form of data and analysis, is available for Member States and senior managers when taking decisions on policies and direction of existing and/or new work programmes in compliance with legislative mandates. In order to address persistent problems and to face new challenges, the Organization must be in a position to determine on a continuing basis what it can achieve as well as what it can do.

V. Recommendations

57. **It is recommended that the General Assembly take note of the present report and request the Secretary-General to:**

(a) **Continue improving the implementation of results-based budgeting, particularly with respect to the provision of training and guidance for the translation of legislative mandates into clear objectives, expected**

accomplishments and outputs, including for data collection and analysis of progress made in achieving those accomplishments;

(b) **Ensure that there is an adequate capacity to direct and oversee the implementation of results-based budgeting, including the establishment of robust systems for the measurement of results, and for the issuance of guidelines, handbooks or manuals as appropriate and the use of self-evaluation findings;**

(c) **Continue to present his programme budget proposals in full accordance with results-based budgeting concepts;**

(d) **Provide overall support and guidance to all departments in managing for results;**

(e) **Ensure that the programme performance report for the biennium 2002-2003 is enhanced and modified, so as to reflect the implementation of results-based budgeting and, in particular, to focus on reporting accomplishments realized.**

Notes

[1] *Official Records of the General Assembly, Fifty- sixth Session, Supplement No. 7* (A/56/7); and A/56/7/Add.1-7 (for the final text, see *Official Records of the General Assembly, Fifty-sixth Session, Supplement No. 7A).*

[2] Ibid., *Supplement No. 16* (A/56/16).

United Nations A/57/479

General Assembly

Distr.: General
16 October 2002

Original: English

Fifty-seventh session
Agenda items 112 and 90

Programme budget for the biennium 2002-2003

Training and research

United Nations Institute for Training and Research*

Report of the Secretary-General

Summary

In its resolution 56/208 of 21 December 2001, the General Assembly requested the Secretary-General to clarify why the United Nations Institute for Training and Research (UNITAR) did not benefit from rental rates and maintenance costs similar to those enjoyed by other organizations affiliated with the United Nations, to submit proposals on how to waive or reduce the rental rates and maintenance costs charged to UNITAR and to report to it at its fifty-seventh session, including details on the status of contributions to, and the financial situation of, UNITAR, as well as on the use of its services by Member States.

In order to reduce the rental rates and maintenance costs of UNITAR, the General Assembly would need to make budgetary provision for the costs involved and override the provisions of paragraph 3 of its resolution 47/227 of 8 April 1993, whereby the funding of all the administrative budget and the training programme of the Institute should be covered from voluntary contributions, donations, special-purpose grants and executing agency overheads. If the General Assembly were to approve free rent and maintenance for UNITAR, modifications would also be required under articles VIII and XI of the statute of the Institute. An additional biennial appropriation of $293,000 would be required under the regular budget of the United Nations in the current biennium.

* The delayed submission of the present report is due to the extensive consultations required to finalize the document.

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I. Introduction

1. In paragraphs 11 and 12 of its resolution 56/208 of 21 December 2001 on the United Nations Institute for Training and Research (UNITAR), the General Assembly:

(a) Requested the Secretary-General to clarify why UNITAR did not benefit from rental rates and maintenance costs similar to those enjoyed by other organizations affiliated with the United Nations, such as the United Nations Institute for Disarmament Research (UNIDIR) and the United Nations Research Institute for Social Development (UNRISD), and further requested the Secretary-General to submit proposals on how to waive or reduce the rental rates and maintenance costs charged to UNITAR with a view to alleviating its current financial difficulties, which were aggravated by the current practice of charging commercial rates;

(b) Requested the Secretary-General to report to it at its fifty-seventh session on the implementation of the resolution, including details on the status of contributions to, and the financial situation of, UNITAR, as well as on the use of its services by Member States.

2. As the requests in the resolution mainly relate to rental rates and maintenance costs of UNITAR premises, that is, administrative and financial questions, the present report, in compliance with section VI of General Assembly resolution 45/248 B of 21 December 1990, has been prepared for the attention of the Fifth Committee of the General Assembly, as appropriate. As regards the use of UNITAR services by Member States, this issue would be addressed in detail in the biennial report of UNITAR on its activities.

II. Background

3. UNITAR has been charged rent by the United Nations for the premises it occupied in Geneva since 1 January 1989 and in New York since 1 October 1996. The decision to charge the rent was based on General Assembly resolution 41/213 of 19 December 1986, in which the Assembly approved the report of the Group of High-level Intergovernmental Experts to Review the Efficiency of the Administrative and Financial Functioning of the United Nations. The report stated in its recommendation 36 that Member States and other users occupying office space on the United Nations premises should pay a rent based on current commercial rates. It was understood that it was the intent of the Group of Experts, in making this recommendation, that the United Nations regular budget should not have to bear any part of the rental expenses of bodies supported by extrabudgetary funds.

4. In paragraph 3 of its resolution 47/227 of 8 April 1993, the General Assembly decided that, as at 1 January 1993, the funding of all the administrative budget and the training programmes of the Institute should be covered from voluntary contributions, donations, special-purpose grants and executing agency overheads.

5. It is also recalled in this connection that, in paragraph 2 of its resolution 48/207 of 21 December 1993, the General Assembly requested the Secretary-General to examine, in accordance with paragraph 2 of Assembly resolution 47/227, the measures taken in 1993 with a view to improving further the organization and coordination of the training programmes and research activities relating to training

in New York, and to provide appropriate logistical and administrative support, within existing resources. In the statement of programme budget implications of the draft of resolution 48/207, the Secretary-General indicated that:

(a) The provision of office space in New York and Geneva, as well as the usual logistical and administrative support for the Institute, including senior fellows, would involve expenditures for rental and maintenance of office equipment, communications and miscellaneous services;

(b) In accordance with paragraph 5 of article VI of the statute of UNITAR and as decided by the General Assembly in its resolution 47/227, all such expenditures would have to be covered from voluntary contributions, donations, special-purpose grants and executing agency overheads available to UNITAR, and not from the United Nations regular budget. Moreover, all expenditures from such funds would require the prior review and approval of the related budgets by the Board of Trustees of UNITAR, in accordance with paragraph 2 of article III and paragraph 1 of article VIII of the statute;

(c) If the United Nations Institute for Training and Research were unable to cover the expenditures regarding office space and the cost of the usual logistical and administrative support, the Secretary-General would not be authorized to cover such costs from the regular budget of the United Nations and all logistical and administrative expenditures, including supporting activities of senior fellows, provision of office space in Geneva and New York and other support services, would have to be financed exclusively from voluntary contributions, donations, special-purpose grants and executing agency overheads of UNITAR, if such resources were available (A/C.2/48/L.84, paras. 6-9).

6. Similarly, in the statement of programme budget implications of the draft of resolution 49/125 of 19 December 1994, the Secretary-General stated:

> "Should the General Assembly adopt [the draft resolution,], the Secretary-General would continue to provide UNITAR with office space as well as administrative and logistic support in Geneva, at fair costs and on an equal basis with 'other users', so that the actual costs incurred by the United Nations itself could be reimbursed. Should UNITAR require office space in New York for a liaison office, the Secretary-General would ensure that it is charged to UNITAR on the same basis." (A/C.2/49/L.66, para. 7)

7. As indicated in the statement of programme budget implications of the draft of resolution 55/208 of 20 December 2000, should the General Assembly decide to supply the necessary offices to UNITAR in Geneva and in New York free of rental and maintenance costs, in the future budgets, beginning with the 2002-2003 biennium, the amount of US$ 155,900 would be required annually for this purpose. If the Assembly were to so decide, it would thereby override the provisions of paragraph 3 of its resolution 47/227 (A/C.2/55/L.49, para. 19).

8. Additionally, as provided in the oral statement of the Director of the Programme Planning and Budget Division to the Second Committee, in accordance with the procedure established to conform to recommendation 36, the rental and maintenance rates charged by the United Nations to entities occupying space in United Nations buildings was based on the commercial rates that the United Nations was charged. The Secretary-General was thus not in a position to "reclassify" the rates charged to UNITAR for rent and maintenance costs, unless the General

Assembly decided to make an express exception to its resolution 41/213 and in regard to recommendation 36 (A/C.2/55/SR.42, para. 50).

9. In the statement of programme budget implications of the draft of General Assembly resolution 56/208 of 21 December 2001, the Secretary-General stated, inter alia, that:

(a) Should the General Assembly adopt the draft resolution, it was estimated that additional appropriation of $292,600 would be required under section 30, Special expenses, of the proposed programme budget for the biennium 2002-2003 in order to reclassify the rental rates, maintenance costs and other administrative support charged to the Institute by the United Nations in Geneva and New York. In the future budgets, the amount of $292,600 would be required biannually for this purpose. By so deciding, the General Assembly would also override the provisions of paragraph 3 of its resolution 47/227;

(b) If the part of the costs currently paid by UNITAR in connection with rent and maintenance were to be taken over by the United Nations, the Assembly should also request the Secretary-General to amend, after consultations with the Board of Trustees of UNITAR, article VIII, paragraph 13, of the statute of UNITAR, to read as follows:

> "The general administrative, personnel and financial services of the United Nations shall be utilized by the Institute on conditions determined in consultation between the Secretary-General and the Executive Director, it being understood that no extra cost to the regular budget of the United Nations is to be incurred, without the express approval of the General Assembly." (A/C.2/56/L.55, paras. 13 and 14)

III. Financial situation of the Institute

10. In accordance with paragraph 1 of General Assembly resolution 47/227, the building of UNITAR was transferred to the United Nations in return for the cancellation of the debt of the Institute and coverage of its financial obligations for 1992 in the amount of $15,989,000, as indicated in the related programme budget implications statement (A/C.5/47/82). Also, in accordance with the same resolution, in the biennium 1998-1999, the amount of $283,215, consisting of negative balances on special-purpose grant projects and resulting from activities undertaken before 1992, was written off as part of the global debt of UNITAR against United Nations reserves (A/55/5/Add.4, para. 11).

11. Since 1993, UNITAR has undergone substantial changes. During the fall of 1993, UNITAR headquarters was moved from New York to Geneva. As most of activities of the Institute were already being conducted from the Geneva office, the activities carried out of New York were terminated and phased out in 1994. UNITAR opened a liaison office in New York in the fall of 1996 after it was ensured by the Board of Trustees of the Institute that the opening of the office was financially viable. In paragraph 3 of its resolution 50/121 of 20 December 1995, the General Assembly welcomed the decision of the Board of Trustees inviting the Institute to open a liaison office in New York, insofar as that would be possible within its existing resources and pursuant to General Assembly resolutions 47/227 and 49/125, in order to respond to the training needs of the missions and delegations

of Member States in New York and in order to strengthen its cooperative relationship with the United Nations Secretariat.

12. Since 1994, UNITAR has been able to continue its existing activities with no deficit and, more significantly, to expand its activities, operating exclusively on voluntary contributions and special-purpose grants. Annexes I and II to the present report provide detailed information on the financial situation of UNITAR from 1993 to end of June 2002, including summary information on all funds of the Institute and on the General Fund in particular. Notwithstanding the reference in paragraph 11 of General Assembly resolution 56/208 to the current financial difficulties of UNITAR, the analysis of the financial situation of the General Fund of UNITAR provided in annex II to the present report shows that the Institute was in a position to continue paying for rent and maintenance from its own resources, as it had successfully done for the period 1994-1998.

IV. Current administrative and financial arrangements for rental and maintenance costs for the Institute in New York and Geneva

13. In New York, the UNITAR liaison office occupies office space in the DC-1 building. For the period 1996-2001, the United Nations has charged UNITAR for rent and maintenance at the prevailing commercial rate, amounting to $32,940 annually. Starting from 1 January 2002, this was increased ($64,782 for total rented space per annum) to conform with the increased commercial rates which the United Nations has to pay for rented space. However, UNITAR has not paid these bills since 1 January 1998, which resulted in an accumulated debt of $163,602 as at 30 June 2002.

14. In Geneva, UNITAR occupies 842.7 square metres in the Environment Centre building (previously known as the General Executive Centre). The annual rent and maintenance fee in the amount of $40,700 is to be paid by UNITAR to the Fondation Immobilière pour Organisations Internationales (FIPOI), which manages the building. UNITAR is also required to pay for electricity up to an amount of $7,000 annually. Moreover, it is meant to reimburse to the United Nations Office at Geneva (UNOG) annually the costs of: (a) cleaning (some $14,000); and (b) messenger/security/shuttle services (some $20,000). This brings the total cost of UNITAR office space rent, maintenance and other administrative services in Geneva to a total of $81,700 per annum. However, UNITAR has not paid UNOG for messenger/security/shuttle services and office cleaning from 1999 to the present time, resulting in a debt of $107,267. In addition, UNITAR has not paid to FIPOI for rent and electricity for January-September 2002, resulting in an additional debt of $40,105. In all, UNITAR has a debt to UNOG and FIPOI amounting to $147,372.

15. The total annual requirements for rent and maintenance of office space in New York and Geneva amount to $112,482. With the addition of messenger/security/shuttle and cleaning services, provided by UNOG ($34,000 annually), annual requirements for UNITAR would amount to $146,482 (or $293,000 biennially). Current unpaid bills as at 31 September 2002 amount to $310,974, consisting of $270,869 owed to the United Nations and $40,105 to FIPOI.

V. Arrangements regarding rental rates and maintenance costs for the United Nations Institute for Disarmament Research and the United Nations Research Institute for Social Development

16. As mentioned in paragraph 11 of General Assembly resolution 56/208, UNIDIR and UNRISD enjoyed benefits from reduced rental rates and maintenance costs. Currently, three institutes (UNIDIR, the United Nations African Institute for the Prevention of Crime and the Treatment of Offenders (UNAFRI) and the African Institute for Economic Development and Planning (IDEP)) receive the regular budget subventions to finance posts of directors and core staff.

17. In particular, UNIDIR occupies 332.3 square metres in the Palais des Nations. Owing to its precarious financial situation and in accordance with General Assembly resolution 39/148 H of 17 December 1984, it receives a subvention from the regular budget of the United Nations towards meeting the costs of the Director and the staff of the Institute. As indicated in the report of the Advisory Committee on Administrative and Budgetary Questions (A/45/7/Add.5), UNIDIR has continued to apply the rate of 5 per cent for administrative and programme support costs to reimburse the United Nations for the financial and personnel services provided by the United Nations Office at Geneva to the Institute.

18. UNRISD occupies 508.5 square metres in the Palais des Nations. Under the terms of reference of paragraph 6 of Secretary-General's bulletin ST/SGB/126 of 1 August 1963, the Institute is accommodated free of charge, but if special premises have to be obtained for the Institute, it would pay the rent from its budget. In addition, in the light of its difficult financial situation, UNRISD pays for programme support at the reduced rate of 8 per cent. This is designed to reimburse the United Nations for the services provided.

VI. Proposals to reduce rental rates and maintenance costs charged to the Institute

19. Taking into account the related provisions of General Assembly resolutions 41/213 and 47/227 mentioned in paragraphs 3 and 4 above, the Secretariat is not in a position to propose a waiver of the rental rates and maintenance costs charged to UNITAR without the express decision of the General Assembly in this regard, which should take into account the modality described below.

20. It is assumed that the organizations affiliated with the United Nations and enjoying such privileges as reclassified rent and maintenance costs referred to in paragraph 11 of General Assembly resolution 56/208 are the United Nations Institute for Disarmament Research and the United Nations Research Institute for Social Development, both located in Geneva. In the case of UNIDIR, by virtue of its statute, it receives a subvention from the regular budget of the United Nations for its administrative costs. UNRISD, for its part, is not charged rent, but is charged overhead of 8 per cent of its annual expenditures, which the United Nations utilizes for the administrative support, including space, which it provides to that Institute.

21. Of these two choices available, the UNIDIR model would appear the most difficult to duplicate, as it would require the institution of a subvention from the regular budget; however, there is no existing basis for a subvention to UNITAR. The

UNRISD model would seem to be replicable for the UNITAR situation and would involve the United Nations regular budget assuming the rental and maintenance costs burden for UNITAR, while at the same time instituting an arrangement whereby UNITAR would reimburse the United Nations for the administrative support provided.

22. This means that the Institute would be required to reimburse administrative support provided by the United Nations at the rate of 8 per cent of its General Fund expenditures. For 2002, these expenditures are estimated at $913,500 and the support cost reimbursement would amount to $73,080. The annual charges for rent and maintenance costs of $146,482 (or $293,000 biennially) in New York and Geneva would be covered in full from the regular budget, while the UNITAR support cost reimbursement of $73,080 would be utilized to offset the costs of administrative services, including payroll, financial, accounting, budgeting and personnel support, mail, pouch, etc., currently provided to UNITAR by UNOG free of charge.

VII. Conclusion

23. As mentioned in paragraph 12 above, the UNITAR financial situation does not seem precarious, especially in comparison with UNAFRI and the United Nations International Research and Training Institute for the Advancement of Women, which currently rely on the grants from the United Nations regular budget for their survival. Moreover, taking into account the related provisions of General Assembly resolutions 41/213 and 47/227, the Secretary-General is not in a position to propose the complete waiver of the rental rates and maintenance costs charged to UNITAR without the express decision of the General Assembly in this regard, which should involve the United Nations regular budget assuming the rental and maintenance costs burden for UNITAR, while at the same time instituting an arrangement whereby UNITAR would reimburse the United Nations for administrative support provided at the rate of 8 per cent of its General Fund annual expenditures.

24. It is estimated that, in this case, additional appropriation of $293,000 would be required under section 27, Management and central support services, of the programme budget for the biennium 2002-2003, in order to reduce the burden of rental rates, maintenance and other administrative support costs charged to the Institute by the United Nations in Geneva and New York. In the future budgets, the amount of $293,000 would be required biennially for this purpose. By so deciding, the General Assembly would also override the provisions of paragraph 3 of its resolution 47/227.

VIII. Recommendations

25. **If it is the wish of Member States that UNITAR be provided with rent and maintenance-free space by the United Nations in the future, a resolution from the General Assembly would be required which would amend paragraph 13 of article VIII of the statute of UNITAR to include a provision to the effect that the Institute should be provided with reasonable space by the United Nations on a rent- and maintenance-free basis, to read as follows:**

"The general administrative, personnel and financial services of the United Nations shall be utilized by the Institute on conditions determined in consultation between the Secretary-General and the Executive Director, it being understood that the space occupied by the Institute is provided by the United Nations free of rent and maintenance charges."

26. **The currently outstanding UNITAR debt of $310,974 relating to unpaid rental and maintenance costs should be paid.**

27. **Should the General Assembly adopt the resolution that the Institute should be provided with office space by the United Nations on a rent- and maintenance-free basis, an additional provision of $293,000 would be required over and above the resources proposed under section 27, Management and central support services, of the programme budget for the biennium 2002-2003. This provision would represent a charge against the contingency fund and, as such, would require an increase in appropriations for the biennium 2002-2003.**

Annex I

United Nations Institute for Training and Research — Statement of income and expenditure and changes in reserves and fund balances — all funds

	1993	*1994*	*1995*	*1996*	*1997*	*1998*	*1999*	*2000*	*2001*	*2002 (30 June)*
Income										
Contributions from Governments	3 910 944	3 437 037	3 381 710	4 678 207	4 178 913	4 505 952	3 184 877	5 300 077	6 155 299	3 896 664
Funds received under inter-organization arrangements	10 500	1 062 097	455 851	728 317	1 058 165	469 435	364 184	250 675	687 129	185 167
Others	231 284	129 728	264 408	219 774	322 563	322 396	3 409 256	420 886	296 901	128 756
Total income	**4 152 728**	**4 628 862**	**4 101 969**	**5 626 298**	**5 559 641**	**5 297 783**	**3 889 317**	**5 971 638**	**7 139 329**	**4 210 587**
Expenditure										
Staff and other personnel costs	1 697 760	2 551 190	2 637 611	2 833 301	2 534 751	2 404 079	2 592 374	2 411 401	2 845 176	2 157 028
Operating expenses	517 769	248 403	314 021	282 514	328 742	222 185	273 039	222 883	230 780	109 308
Others	1 934 093	1 205 850	1 275 484	1 911 805	2 899 239	2 389 090	1 879 988	2 427 813	2 844 008	1 157 137
Total expenditure	**4 149 622**	**4 005 443**	**4 227 116**	**5 027 620**	**5 762 732**	**5 015 354**	**4 745 401**	**5 062 097**	**5 919 964**	**3 423 473**
Excess (shortfall) of income over expenditure	**3 106**	**623 419**	**(125 147)**	**598 678**	**(203 091)**	**282 429**	**(856 084)**	**909 541**	**1 219 365**	**787 114**
General Assembly resolution 47/227 (transfer of land and building)	5 797 330									
Waiver of imputed interest on advance to purchase land	974 593									
Other adjustment	68 972	(8 677)	106 968	71 008	440 932	678 581	(7 188)	(41 927)	(46 397)	30 481
Reserves and fund balances, beginning of period	(4 673 701)	2 170 300	2 785 042	2 766 863	3 436 549	3 674 390	4 635 400	3 772 128	4 639 742	5 812 710
Reserves and fund balances, end of period	**2 170 300**	**2 785 042**	**2 766 863**	**3 436 549**	**3 674 390**	**4 635 400**	**3 772 128**	**4 639 742**	**5 812 710**	**6 630 305**

Annex II

United Nations Institute for Training and Research — Statement of income and expenditure and changes in reserves and fund balances — General Fund

	1993	*1994*	*1995*	*1996*	*1997*	*1998*	*1999*	*2000*	*2001*	*2002 (30 June)*
Income										
Contributions from Governments	302 689	442 947	315 714	248 209	356 759	560 547	338 998	375 429	383 342	165 895
Funds received under inter-organization arrangements	10 500	-	-	-	6 716	-	19 446	-	-	14 436
Programme Support Income	343 598	344 839	372 914	441 230	541 805	457 308	370 373	348 354	430 041	263 989
Others	51 515	10 058	42 851	33 915	94 512	117 877	114 562	100 193	40 063	19 772
Total income	**708 302**	**797 844**	**731 479**	**723 354**	**999 792**	**1 135 732**	**843 379**	**823 976**	**853 446**	**464 092**
Expenditure										
Staff and other personnel costs	464 933	444 164	593 828	760 020	542 606	570 229	595 700	624 684	745 647	321 642
Operating expenses	186 689	125 649	144 369	153 430	183 187	134 555	132 802	114 094	87 997	42 827
Others	48 507	26 164	104 867	64 537	62 167	127 014	148 598	159 605	58 226	39 959
Total expenditure	**700 129**	**595 977**	**843 064**	**977 987**	**787 960**	**831 798**	**877 100**	**898 383**	**891 870**	**404 428**
Excess (shortfall) of income over expenditure	**8 173**	**201 867**	**(111 585)**	**(254 633)**	**211 832**	**303 934**	**(33 721)**	**(74 407)**	**(38 424)**	**59 664**
General Assembly resolution 47/227 (transfer of UNITAR land and building)	5 797 330									
Waiver of imputed interest on advance to purchase land	974 593									
Other adjustment	170 530	157 003	52 598	97 067	(55 513)	(18 740)	54 083	22 578	7 909	1 225
Reserves and fund balances, beginning of period	(6 699 954)	250 672	609 542	550 555	392 989	549 308	834 502	854 864	803 035	772 520
Reserves and fund balances, end of period	**250 672**	**609 542**	**550 555**	**392 989**	**549 308**	**834 502**	**854 864**	**803 035**	**772 520**	**833 409**